

## **CONTRACTS SUB-COMMITTEE**

Minutes of the meeting held at 7.00 pm on 21 September 2017

### **Present:**

Councillor Stephen Wells (Chairman)  
Councillor Neil Reddin FCCA (Vice-Chairman)  
Simon Fawthrop, William Huntington-Thresher,  
Russell Mellor and Angela Wilkins

### **Also Present:**

Councillor Ian Dunn

### **70 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillor Keith Onslow.

The Chairman congratulated Councillor William Huntington Thresher on his forthcoming appointment to the Executive, and thanked him for his work on the Sub-Committee.

### **71 DECLARATIONS OF INTEREST**

Councillor Simon Fawthrop declared an interest as an employee of British Telecom, and as his wife was involved as a Council employee in IT training.

### **72 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

No questions had been received.

### **73 MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 13TH JUNE 2017 AND MATTERS ARISING**

The Sub-Committee considered the following matters arising from the last meeting on 13<sup>th</sup> June 2017 –

Minute 64: Review of Waivers Audit:

The Chairman noted that quarterly meetings for staff involved in contracting were mandatory, and stated that he expected this to continue to be the case.

Members discussed how the views of potential suppliers could be sought on contract lengths. Officers confirmed that this issue should be addressed during the commissioning cycle and in particular in gateway reports as one of the many issues required to establish best value. Longer term contracts would generally

require more investment on the part of the contractor. A Member asked whether benchmarking was carried out during contracts and it was confirmed that suppliers would often benchmark their own services and come forward with savings proposals. Members were interested in independent benchmarking and more formal benchmarking. Officers were often involved in networks where contractor performance could be discussed, although this could not usually be classified as formal benchmarking. Where contracts were procured using a negotiated process benchmarking and length of tender issues would be picked up in the negotiation.

Minute 65: Commissioning and Procurement Division - One Year on:

Under the direction of Audit Sub-Committee, Zurich Municipal had assisted the Council to review its approach to risk management. The new approach had been integrated in to the Contracts Database.

The Chairman commented that change control documentation for the Waste Contract was still not in place. The Executive and Resources PDS Committee on 11<sup>th</sup> October was due to receive a report on change controls across the Council so far this year.

A Member commented that the Council still appeared to have serious problems with contract management skills, especially in Environment and Community Services. It was suggested that there was still too little movement between the public and private sectors, although this might change as the demand for commercial skills grew in the public sector. Officers confirmed that mandatory training and substantial guidance were being made available to in-house staff

The Chairman requested a report on partnership with the CCG, and how savings and efficiencies could be achieved, for the November meeting.

The Chairman proposed the following change to the minutes –

In minute 64, Review of Waivers Audit, fourth paragraph, second sentence, change “contract” to “contracting period.”

**RESOLVED that the minutes of the meeting held on 13<sup>th</sup> June 2017, excluding exempt information, be confirmed subject to the amendment set out above.**

## **74 ADULTS SERVICES CONTRACTS - UPDATE**

The Sub-Committee received a briefing on Commissioning and Contract Management in Adult Social Care Contracts. The Deputy Chief Executive and Executive Director of Education, Care and Health Services, Ade Adetosoye, attended the meeting accompanied by Paul Feven, Interim Director of Programmes and Tricia Wennell, Head of Assessment and Care Management.

A new Division had been set up headed by Paul Feven to work out, with the CCG, how to get best value for the “Bromley pound” in a situation where it was necessary to meet rising demand for services with reducing resources. The

Government was anticipating that partial integration would be achieved by 2020. A joint leadership team was already in place and staff had been appointed to three joint posts. There was a secure foundation of good relationships, and a shared desire to promote independence and improve critical services. Although there were still differences in culture and terminology, there were shared drivers. Members commented that this was a cogent approach, and it was important to have a proactive mind-set.

The Council needed to establish a clear picture of the level of demand for services five to ten years ahead – this would help to shape the market with providers. The new departmental structures provided a clearer vision and focus and a firm platform for becoming a commissioning authority. Two members of staff from the Education, Care and Health Services Department had joined the Commissioning Board. The Executive Director assured the Sub-Committee that although the Secretary of State required him to focus on Children's Services, he was, in addition, able to devote sufficient time to Adult's Services, and that the Department had adequate resources.

It was explained that personal budgets were the sums allocated to provide care services for eligible people. Direct payments were one of the mechanisms people could choose to use to pay for their care needs. The proportion of people using direct payments in Bromley was around 26% - the aspiration was to increase this figure. Vibrance were contracted to work in the community assisting clients and building a register of Personal Assistants (PA's); at present the market was not large enough and most people still preferred the Council to buy in their services from a framework. A business case was being developed for moving to a system where the default was to direct payments. Other local authorities in London appeared to have much higher levels of direct payments - as high as 50% - but there was not consistency about how these figures were arrived at and Bromley's proportion represented true direct payments.

Members asked about how the Council checked that direct payments were used for the purposes intended. Officers confirmed that nearly all cases ran smoothly, and that there were rigorous and extensive checks carried out by both Care Services and Finance, including a detailed review within the first nine weeks, an annual review and mid-year reviews if monitoring data was not submitted. The PA's themselves were the "eyes and ears" of Care Services. Staff were instructed to offer direct payments to all clients, and the Council could not refuse a request for direct payments. Officers were looking at what was putting people off direct payments; one issue was that carers could themselves be quite elderly and not confident about having the responsibility or dealing with the online monitoring. It was confirmed that in some circumstances, direct payments could be made to relatives.

Members asked about arrangements for increasing the value of contracts, and when variations would be triggered. This was down to brokerage, and drawing down from contracts, and monitoring was in place to prevent ceiling rates being exceeded. Spot purchases were also made where necessary. Sign-off was needed from five officers before a placement was made.

The Chairman commented that it was important for the Care Services PDS Committee to be aware of the joint commissioning with the CCG, and to ensure that outcomes were acceptable to the Council.

## **75 DRAFT PROCUREMENT AUTHORISATION GUIDANCE AND TEMPLATES**

The Sub-Committee considered draft Procurement Authorisation Guidance which had been developed to give an overview of the Council's procurement authorisation guidance and processes.

Members underlined their support for a number of key provisions, including the requirement for full compliance with Contract Procedure Rules, timely authorisation of extensions and exemptions, the requirement for chief officers to approve extensions and exemptions, the requirement that only officers directly employed by the Council could authorise contracts, the rule that retrospective authorisation could not be obtained and that change control procedures must be followed.

It was confirmed that failure to follow Contract Procedure Rules and Financial Regulations was a disciplinary offence. The new guidance tightened up contracting processes, but could not completely eliminate all the potential problems that could arise.

(During consideration of this item the Sub-Committee agreed to continue its meeting beyond 10pm to complete the business on the agenda.)

## **76 CORPORATE CONTRACTS REGISTER AND CONTRACTS DATABASE UPDATE** Report CEO 01632

The Sub-Committee received an update on the Council's new Contracts Database and scrutinised the Corporate Contracts Register, which had been generated from the Contracts Database. A part 2 version of the Register was also attached which included additional commentary. The updated register included columns linked to the Council's Corporate Risk Register and to the procurement status of each contract. In addition, there were flags where there were concerns about a particular contract.

Extracts from the Contracts Register relevant to each portfolio would be presented to each PDS Committee four times a year, covering contracts with a total value of over £50,000. The Chairman stated that it was important that PDS Committees scrutinised these closely and did not treat them as information items.

The Sub-Committee was given a demonstration of the Contracts Database. Work-stream One was now complete, and managers had been trained on the Database. Further enhancements were proposed including email alerts, importing outstanding data, an authorisation process, credit checking, improved usability, improved monitoring, document storage, insurance monitoring and funding sources. The Sub-Committee recorded its thanks to Alastair Baillie and Matt

Wilson for their work in developing the Contracts Database. Members were impressed with what had been achieved, and hoped that once finished it would be possible to sell the system to other local authorities.

**77 WORK PROGRAMME 2017/18**  
Report CSD17123

The Sub-Committee's work programme was noted.

**78 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

**RESOLVED** that the Press and public be excluded during consideration of the item of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summary  
refers to matters  
involving exempt information**

**79 EXEMPT MINUTES OF THE MEETING OF CONTRACTS SUB-COMMITTEE HELD ON 13TH JUNE 2017**

The exempt minutes of the meeting held on 13<sup>th</sup> June 2017 were confirmed.

**80 ISSUES FROM AUDIT SUB-COMMITTEE: STREETWORKS AND DEFAULTS AUDIT**

The Chairman recorded his extreme disappointment that no senior officers were available to discuss this item – it would be considered at the next meeting.

**81 CORPORATE CONTRACTS REGISTER AND CONTRACTS DATABASE UPDATE - PART 2**

The Sub-Committee received the Part 2 Contracts Register.

The Meeting ended at 10.12 pm

Chairman